1957.

**File No.** 0 Railways (L.A. Tax) / 57
Legal Department
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**Subject:—** Opinions under the Railway (Local Authorities Taxation) Act. 1941

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| | | Railways (Local Authorities Taxation) Act, 1941. | |
| 1. | 3372 11-8-51 / 11486 20-7-51. | Whether there would be any legal objection to the Municipality recovering the increased in the amount of house tax from the Railway Authorities by reason of the revision of the assessment list. | 1-4. |
| 2. | 20516 26-12-51 | Exemption Cl. 6 of Sch. E of the House Tax Rules Mahmudabad Municipality - whether railway properties as are revenue paying would be exempted under this clause and would still continue to be liable to the Municipal taxation as before. | 5-6. |

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Government, the former holding that the Railway Authorities were liable to pay the taxes only at the rates existing on 1/4/1937 and the latter that the Municipality was competent to recover the taxes at higher rates. In the present case since the increase is only due to the revision of the assessment list and not due to any revision in the rate of the house tax the department proposes to advise the municipality to recover the amount. R.L.A. is requested to advise.

## Legal Department.

Since as stated in the Local Self Government & Public Health Department's note at pp. 7-8 ante the increase in the amount of the house-tax is by reason only of the revision of the assessment-list there would no objection to the Municipality recovering the same from the Railway Authorities.

Sd./-
Additional Secretary to Government.

U.R. to L.S.G. & P.H.D., No. 11486; dated the 20th July, 1951.

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OFFICE OF THE R.L.A.

The railway administration has all along been paying the taxes to the Ahmedabad Municipality in accordance with the notification of the Government of India, Railway Department No. 234-T/19, dated the 9th September 1920 issued under section 138(1) of the Indian Railways Act. This notification does not appear to have been varied or revoked under the power vested by section 4 of the Railway (Local Authorities) Taxation Act, 1941 and the liability under the notification continued till the commencement of the Constitution with the result that the proviso to Article 285(1) thereof would now be available to the Municipality. Exemption clause 5 of Schedule E of the House Tax Rules of the Ahmedabad Municipality appears to have been sanction by the Director of Local Authorities under his order No. M.N.K. -293 , dated the 7th October 1950. Under this clause buildings used exclusively for Government or public purposes yielding no revenue have beenexempted from the municipal taxation. Therefore notwithstanding this exemption such of the railway properties as are revenue paying would not be exempted under this clause and would still continue to be liable to the municipal taxation as before. All the properties of the railway mentioned at pages 51 and 52 cannot be considered as revenue paying. Only such of them as are rented to the railway officials or servants or otherwise fetch revenue to Railway as for instance the tea stall would be considered as revenue paying, and liable to the Municipal taxation.

Sd/- J.R.D. 24/12

Remembrancer of Legal Affairs.

U.R. to L.S.G. & P.H.D., No. 20836; dated the 24th December, 1951.

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